



California Regional Water Quality Control Board

Los Angeles Region



Recipient of the 2001 Environmental Leadership Award from Keep California Beautiful

Linda S. Adams
Agency Secretary

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Arnold Schwarzenegger
Governor

September 26, 2008

Mr. William E. Mayer
Vice President
D. R. Horton Los Angeles Holding Company, Inc.
600 Victoria Avenue, Suite A-200
Oxnard, CA 93035

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
No.7003 3110 0003 3258 3595

SETTLEMENT OFFER NO. R4-2008-0044-M: OFFER TO PARTICIPATE IN EXPEDITED PAYMENT PROGRAM RELATING TO VIOLATIONS OF THE NPDES PERMIT FOR D. R. HORTON LOS ANGELES HOLDING COMPANY, INC., OLY MANDALAY SEABRIDGE, OXNARD, CA.
(ORDER NO. R4-2003-0141, NPDES PERMIT NO. CA0064505, CI NO. 8672)

Dear Mr. Mayer:

This letter is to notify D. R. Horton Los Angeles Holding Company, Inc. (hereinafter "Permittee" or "you") of alleged violations of the California Water Code identified in the State Water Resources Control Board's water quality data system and to allow the Permittee to participate in the Los Angeles Regional Water Quality Control Board's (Regional Board) Expedited Payment Program for Effluent and/or Reporting Violations (Expedited Payment Program) to address liability that may be assessed pursuant to California Water Code sections 13385 and 13385.1.

NOTICE OF VIOLATION:

Based on information in the California Integrated Water Quality System (CIWQS) as of September 16, 2008, the Regional Board alleges that the Permittee has violated the effluent limitations, reporting violations, or California Water Code provisions identified in the Notice of Violation (NOV) attached as Exhibit "A". The Permittee will have the opportunity to address the alleged violations as discussed below.

STATUTORY LIABILITY:

Subdivisions (h) and (i) of California Water Code section 13385 require the assessment of a mandatory minimum penalty of three thousand dollars (\$3,000) for specified serious and chronic effluent limit and reporting violations. For the purposes of subdivision (h) of section 13385, failure to file a discharge monitoring report required pursuant to sections 13383 for each complete period of 30 days following the deadline for submitting the report constitutes a serious violation. The Permittee is subject to discretionary administrative civil liabilities of up to ten thousand dollars (\$10,000) for each day in which the violation occurs, plus ten dollars (\$10) for

September 26, 2008

each gallon discharged but not cleaned up in excess of 1,000 gallons. These mandatory minimum penalties and discretionary administrative civil liabilities may be assessed by the Regional Board beginning with the date that the violations first occurred.¹ The formal enforcement action that the Regional Board uses to assess such liability is an administrative civil liability complaint, although the Regional Board may instead refer such matters to the Attorney General's Office for prosecution. If referred to the Attorney General for prosecution, the Superior Court may assess up to twenty-five thousand dollars (\$25,000) per violation. In addition, the Superior Court may assess up to twenty-five dollars (\$25) per gallon discharged but not cleaned up in excess of 1,000 gallons.

OFFER TO PARTICIPATE IN EXPEDITED PAYMENT PROGRAM:

The Permittee can avoid the issuance of a formal enforcement action and settle the alleged violations identified in the attached NOV by participating in the Regional Board's Expedited Payment Program. Details of the proposed settlement are described below and addressed in the enclosed documents.

To promote resolution of these violations, the Regional Board makes this Conditional Offer. The Permittee may accept this offer, waive the Permittee's right to a hearing, and pay the mandatory minimum penalty of \$387,000 for the violations described in the NOV. If the Permittee elects to do so, subject to the conditions below, the Regional Board will accept that payment in settlement of any enforcement action that would otherwise arise out of the violations identified in the NOV. Accordingly, the Regional Board will forego issuance of a formal administrative complaint, will not refer the violations to the Attorney General, and will waive its right to seek additional discretionary civil liabilities for the violations identified in the NOV.

The Expedited Payment Program does not address liability for any violation that is not specifically identified in the NOV.

PERMITTEE'S OPTIONS FOR RESPONSE TO OFFER:

If you accept this offer, please complete and return the enclosed "Acceptance of Conditional Resolution and Waiver of Right to Hearing; (proposed) Order" (Acceptance and Waiver) on or before **October 27, 2008**.

If the Permittee chooses to contest any of the violations alleged in the NOV, please identify the specific violation and the basis for the challenge (factual error, affirmative defense, etc.) on or

¹ Please note that there are no statutes of limitation that apply to administrative proceedings to assess mandatory minimum penalties. See *City of Oakland v. Public Employees' Retirement System*, (2002) 95 Cal.App.4th 29, 48; 3 Witkin, Cal. Procedure (4th ed. 1996) Actions, §405(2), p. 510.) Further, the Permittee has not been substantially prejudiced by the passage of time between the date(s) that the Permittee reported the violations identified on Exhibit A and the date of this letter. The Permittee was aware of the violations at the time it reported them to the Regional Board. Regional Board staff's limited enforcement resources and competing enforcement priorities provide a rational explanation for the delay. In fact, the delay has actually benefited the Permittee because it extended the time before payment of the mandatory minimum penalties is due. For these reasons, any delay is not unreasonable.

September 26, 2008

before the due date specified above. The Regional Board staff will evaluate the contested violation and take one of two actions:

- 1) The Regional Board staff will determine that the violation is not supported, expunge the alleged violation from the CIWQS database, take no further action against the Permittee for the alleged violation, and notify the Permittee of that determination. The Permittee will be given thirty (30) days from the date of receipt of the Regional Board staff determination to complete and return the Acceptance and Waiver for the remainder of the violations; or
- 2) The Regional Board staff will determine that the alleged violation is meritorious, and will notify the Permittee of that determination. The Permittee will be given thirty (30) days from the date of receipt of the Regional Board staff determination to complete and return the Acceptance and Waiver.

If the Permittee chooses not to make a payment in response to the Regional Board staff's determination, the Permittee should expect to be contacted regarding formal enforcement action that will be initiated with regard to the contested violations. In a formal enforcement action, the liability amount sought and/or imposed may exceed the liability amount set forth in this Conditional Offer. Moreover, the cost of enforcement is a factor that can be considered in assessing the liability amount.

CONDITIONS FOR REGIONAL BOARD ACCEPTANCE OF RESOLUTION:

Federal regulations require the Regional Board to publish and allow the public thirty (30) days to comment on any settlement of an enforcement action addressing NPDES permit violations (40 C.F.R. section 123.27(d)(2)(iii)). Upon receipt of the Permittee's Acceptance and Waiver, the Regional Board staff will publish a notice of the proposed resolution of the violations.

If no comments are received within the 30-day comment period, and unless there are new material facts that become available to the Regional Board, the Regional Board Executive Officer will execute the Acceptance and Waiver as a stipulated order assessing the uncontested mandatory minimum penalty amount pursuant to Water Code sections 13385 and 13385.1.

If, however, significant comments are received in opposition to the settlement, this Offer may be withdrawn. In that case, the Permittee's waiver pursuant to the Acceptance and Waiver will also be treated as withdrawn. In that case, the violations will be addressed in a liability assessment proceeding. At the liability assessment hearing the Permittee will be free to make arguments as to any of the alleged violations, and the Permittee's agreement to accept this conditional offer will not in any way be binding or used as evidence against the Permittee. The Permittee will be provided with further information on the liability assessment proceeding.

In the event the Acceptance and Waiver is executed by the Regional Board Executive Officer, full payment of the assessed amount shall be due within ten (10) calendar days after the Permittee's receipt of the notice of the Regional Board Executive Officer's execution. In

Mr. William E. Mayer

- 4 -

September 26, 2008

D. R. Horton

accordance with California Water Code section 13385(n)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to section 13385 shall be deposited in the State Water Pollution Cleanup and Abatement Account. Furthermore, in accordance with California Water Code section 13385.1(b)(1), funds collected pursuant to section 13385.1 for failure to timely file a report shall be deposited in the Waste Discharge Permit Fund. Accordingly, the \$387,000 liability shall be paid by cashiers or certified check for \$354,000 made out to the "State Water Pollution Cleanup and Abatement Account" AND a cashiers or certified check for \$33,000 make out to the "Waste Discharge Permit Fund". Failure to pay the full penalty within the required time period may subject the Permittee to further liability.

Should you have any questions about this Conditional Offer or Notice of Violation, please contact Enforcement Unit staff Ms. Mercedes Merino at (213) 620-6369 regarding this matter.

Sincerely,



Deborah J. Smith

Chief Deputy Executive Officer

Enclosures:

Exhibit "A" - Notice of Violation

Acceptance of Conditional Resolution and Waiver of Right to Hearing; (proposed) Order

cc: Taryn Stokell, Office of Enforcement, State Water Resources Control Board

Settlement Offer No. R4-2008-0044-M
CI No. 8672, NPDES Permit No. CA0064505

ACCEPTANCE OF CONDITIONAL RESOLUTION
AND WAIVER OF RIGHT TO HEARING; (proposed) ORDER

D. R. Horton Los Angeles Holding Company, Inc.
Settlement Offer No. R4-2008-0044-M
NPDES Permit No. CA0064505

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (Acceptance and Waiver) to the Los Angeles Regional Water Quality Control Board (Regional Board), D. R. Horton Los Angeles Holding Company, Inc. (Permittee) hereby accepts the "Offer to Participate in Expedited Payment Program" and waives the right to a hearing before the Regional Board to dispute the allegations of violations described in the Notice of Violation (NOV), which is attached hereto as Exhibit "A" and incorporated herein by reference.

The Permittee agrees that the NOV shall serve as a complaint pursuant to Article 2.5 of the California Water Code and that no separate complaint is required for the Regional Board to assert jurisdiction over the alleged violations through its Executive Officer. The Permittee agrees to pay the penalties required by California Water Code section 13385, in the sum of \$387,000 (Expedited Payment Amount), which shall be deemed payment in full of any civil liability pursuant to Water Code sections 13385 and 13385.1 that otherwise might be assessed for the violations described in the NOV. The Permittee understands that this Acceptance and Waiver waives the Permittee's right to contest the allegations in the NOV and the amount of civil liability for such violations.

The Permittee understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in the NOV.

Upon execution by the Permittee, the completed Acceptance and Waiver shall be returned to:

Mercedes Merino, Enforcement Unit
Expedited Payment Program
Regional Water Quality Control Board, Los Angeles Region
320 West 4th Street, Suite 200
Los Angeles, California 90013

The Permittee understands that federal regulations set forth at title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Regional Board to publish notice of and provide at least 30 days for public comment on any proposed resolution of an enforcement action addressing NPDES permit violations. Accordingly, this Acceptance and Waiver, prior to execution by the Regional Board Executive Officer, will be published as required by law for public comment.

If no comments are received within the notice period that cause the Regional Board Executive Officer to question the Expedited Payment Amount, the Regional Board Executive Officer will execute the Acceptance and Waiver.

Settlement Offer No. R4-2008-0044-M
CI No. 8672, NPDES Permit No. CA0064505

The Permittee understands that if significant comments are received in opposition to the Expedited Payment Amount, the offer on behalf of the Regional Board to resolve the violations set forth in the NOV may be withdrawn. In that circumstance, the Permittee will be advised of the withdrawal and an administrative civil liability complaint may be issued and the matter may be set for a hearing before the Regional Board. For such a liability hearing, the Permittee understands that this Acceptance and Waiver executed by the Permittee will be treated as a settlement communication and will not be used as evidence in that hearing.

The Permittee further understands that once the Acceptance and Waiver is executed by the Regional Board Executive Officer, the full payment required by the deadline set forth below is a condition of this Acceptance and Waiver. In accordance with California Water Code section 13385(n)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to section 13385 shall be deposited in the State Water Pollution Cleanup and Abatement Account. Furthermore, in accordance with California Water Code section 13385.1(b)(1), funds collected pursuant to section 13385.1 for failure to timely file a report shall be deposited in the Waste Discharge Permit Fund. Accordingly, the \$387,000 liability shall be paid by a cashiers or certified check for \$354,000 make out to the "State Water Pollution Cleanup and Abatement Account" AND a cashiers or certified check for \$33,000 made out to the "Waste Discharge Permit Fund". The payment must be submitted to the Regional Board no later than ten (10) calendar days after the date the Permittee receives written notice that the Regional Board Executive Officer has executed this Acceptance and Waiver.

I hereby affirm that I am duly authorized to act on behalf of and to bind the Permittee in the making and giving of this Acceptance and Waiver.

D. R. Horton Los Angeles Holding Company, Inc.

By:

(Signed Name)

(Date)

(Printed or typed name)

(Title)

IT IS SO ORDERED PURSUANT TO WATER CODE SECTION 13385

Date: _____

By: _____
Tracy J. Egoscue
Executive Officer

EXHIBIT "A" - NOTICE OF VIOLATION
Effluent Limit Violations

D. R. Horton
Oly Mandalay Bay Seabridge
CI 8672

Date	Monitoring Period	Discharge Point	Violation Type	Parameter	Reported Value	Permit Limit	Units	Pollutant Category	% Exceeded	Serious/ Chronic	Water Code Section 13385	Penalty
03/11/2005	1 st Quarter 2005	D1	Monthly Average*	Zinc	87	45	µg/L	2	93	Serious	(b)(1)	\$3,000
04/05/2005	2 nd Quarter 2005	D1	Monthly Average*	Copper	3.6	2.3	µg/L	2	57	Serious	(b)(1)	\$3,000
07/01/2005	3 rd Quarter 2005	D1	Daily Maximum	Mercury	0.68	0.1	µg/L	2	580	Serious	(b)(1)	\$3,000
07/01/2005	3 rd Quarter 2005	D1	Monthly Average*	Mercury	0.68	0.05	µg/L	2	1,260	Serious	(b)(1)	\$3,000
07/01/2005	3 rd Quarter 2005	D1	Monthly Average*	Mercury	0.0068	0.0042	lbs/day ¹	2	61	Serious	(b)(1)	\$3,000
07/01/2005	3 rd Quarter 2005	A1	Monthly Average*	Mercury	0.14	0.05	µg/L	2	180	Serious	(b)(1)	\$3,000
01/09/2006	1 st Quarter 2006	D1	Daily Maximum	Copper	13	4.8	µg/L	2	171	Serious	(b)(1)	\$3,000
01/09/2006	1 st Quarter 2006	G1	Daily Maximum	Copper	9.3	4.8	µg/L	2	94	Serious	(b)(1)	\$3,000
01/09/2006	1 st Quarter 2006	A1	Monthly Average*	Copper	3.7	2.3	µg/L	2	61	Serious	(b)(1)	\$3,000
01/31/2006	1 st Quarter 2006	D1	Monthly Average*	Copper	8.3	2.3	µg/L	2	261	Serious	(b)(1)	\$3,000
01/31/2006	1 st Quarter 2006	G1	Monthly Average*	Copper	6.8	2.3	µg/L	2	196	Serious	(b)(1)	\$3,000
01/31/2006	1 st Quarter 2006	G1	Monthly Average*	Copper	0.25	0.19	lbs/day ¹	2	33	Serious	(b)(1)	\$3,000
01/31/2006	1 st Quarter 2006	G1	Monthly Average*	TSS	79	50	mg/L	1	58	Serious	(b)(1)	\$3,000
02/10/2006	1 st Quarter 2006	A1	Monthly Average*	Turbidity	57	50	NTU	NA	NA	Chronic	(b)(1)	\$3,000
02/10/2006	1 st Quarter 2006	A1	Monthly Average*	Copper	3.3	2.3	µg/L	2	43	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	D1	Daily Maximum	Copper	10	4.8	µg/L	2	108	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	A1	Daily Maximum	Copper	7.9	4.8	µg/L	2	65	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	G1	Daily Maximum	Copper	5.4	4.8	µg/L	2	13	Chronic	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	D1	Daily Maximum	Mercury	0.34	0.1	µg/L	2	240	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	A1	Daily Maximum	Mercury	0.41	0.1	µg/L	2	310	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	G1	Daily Maximum	Mercury	0.34	0.1	µg/L	2	240	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	D1	Daily Maximum	Selenium	12	10	µg/L	2	20	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	A1	Daily Maximum	Selenium	25	10	µg/L	2	150	Serious	(b)(1)	\$3,000
04/30/2006	2 nd Quarter 2006	D1	Monthly Average*	Copper	10	2.3	µg/L	2	335	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	A1	Monthly Average*	Copper	7.9	2.3	µg/L	2	243	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	G1	Monthly Average*	Copper	5.4	2.3	µg/L	2	135	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	D1	Monthly Average*	Mercury	0.34	0.05	µg/L	2	580	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	A1	Monthly Average*	Mercury	0.41	0.05	µg/L	2	720	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	G1	Monthly Average*	Mercury	0.34	0.05	µg/L	2	580	Serious	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	D1	Monthly Average*	Turbidity	65	50	NTU	NA	NA	Chronic	(b)(1)	\$3,000
04/07/2006	2 nd Quarter 2006	A1	Monthly Average*	TSS	68	50	mg/L	1	36	Chronic	(b)(1)	\$3,000
05/04/2006	2 nd Quarter 2006	A1	Monthly Average*	TSS	51	50	mg/L	1	2	Chronic	(b)(1)	\$3,000
06/02/2006	2 nd Quarter 2006	A1	Monthly Average*	Turbidity	54	50	NTU	NA	NA	Chronic	(b)(1)	\$3,000
06/29/2006	2 nd Quarter 2006	D1	Daily Maximum	Selenium	28	10	µg/L	NA	NA	Chronic	(b)(1)	\$3,000

*Staff calculation

EXHIBIT "A" - NOTICE OF VIOLATION
Effluent Limit Violations

D. R. Horton
Oly Mandala Bay Seabridge
CI 8672

Date	Monitoring Period	Discharge Point	Violation Type	Parameter	Reported Value	Permit Limit	Units	Pollutant Category	% Exceeded	Serious/ Chronic	Water Code Section 13385	Penalty
06/29/2006	2 nd Quarter 2006	D1	Daily Maximum	Copper	11	4.8	µg/L	2	129	Serious	(h)(1)	\$3,000
06/29/2006	2 nd Quarter 2006	D1	Monthly Average*	Copper	11	2.3	µg/L	2	378	Serious	(h)(1)	\$3,000
06/30/2006	2 nd Quarter 2006	G1	Monthly Average*	Copper	4	2.3	µg/L	2	74	Serious	(h)(1)	\$3,000
06/30/2006	2 nd Quarter 2006	G1	Monthly Average*	Turbidity	51	50	NTU	NA	NA	Chronic	(i)(1)	\$3,000
07/13/2006	3 rd Quarter 2006	D1	Daily Maximum	Copper	25	4.8	µg/L	2	421	Serious	(h)(1)	\$3,000
07/13/2006	3 rd Quarter 2006	D1	Daily Maximum	Selenium	38	10	µg/L	2	280	Serious	(h)(1)	\$3,000
07/13/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	5.2	4.8	µg/L	2	8	Chronic	(i)(1)	\$3,000
07/13/2006	3 rd Quarter 2006	G1	Daily Maximum	Mercury	0.16	0.1	µg/L	2	60	Serious	(h)(1)	\$3,000
07/17/2006	3 rd Quarter 2006	D1	Daily Maximum	Copper	8.9	4.8	µg/L	2	85	Serious	(h)(1)	\$3,000
07/17/2006	3 rd Quarter 2006	D1	Daily Maximum	Mercury	0.15	0.1	µg/L	2	50	Serious	(h)(1)	\$3,000
07/17/2006	3 rd Quarter 2006	D1	Daily Maximum	Selenium	17	10	µg/L	2	70	Serious	(h)(1)	\$3,000
07/17/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	5.7	4.8	µg/L	2	19	Chronic	(i)(1)	\$3,000
07/17/2006	3 rd Quarter 2006	G1	Daily Maximum	Mercury	0.16	0.1	µg/L	2	60	Serious	(h)(1)	\$3,000
07/25/2006	3 rd Quarter 2006	D1	Daily Maximum	Copper	12	4.8	µg/L	2	150	Serious	(h)(1)	\$3,000
07/25/2006	3 rd Quarter 2006	D1	Daily Maximum	Selenium	20	10	µg/L	2	100	Serious	(h)(1)	\$3,000
07/25/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	6.9	4.8	µg/L	2	44	Serious	(h)(1)	\$3,000
07/25/2006	3 rd Quarter 2006	G1	Daily Maximum	Mercury	0.47	0.1	µg/L	2	370	Serious	(h)(1)	\$3,000
07/31/2006	3 rd Quarter 2006	D1	Daily Maximum	Copper	19	4.8	µg/L	2	296	Serious	(h)(1)	\$3,000
07/31/2006	3 rd Quarter 2006	D1	Daily Maximum	Selenium	36	10	µg/L	2	260	Serious	(h)(1)	\$3,000
07/31/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	76	4.8	µg/L	2	1,483	Serious	(h)(1)	\$3,000
07/31/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	0.8	0.4	lbs/day ¹	2	105	Serious	(h)(1)	\$3,000
07/31/2006	3 rd Quarter 2006	D1	Monthly Average*	Copper	16.2	2.3	mg/L	2	604	Serious	(h)(1)	\$3,000
07/31/2006	3 rd Quarter 2006	G1	Monthly Average*	Copper	23.5	2.3	mg/L	2	922	Serious	(h)(1)	\$3,000
07/31/2006	3 rd Quarter 2006	G1	Monthly Average*	Copper	0.25	0.19	lbs/day ¹	2	33	Serious	(h)(1)	\$3,000
07/31/2006	3 rd Quarter 2006	G1	Monthly Average*	Mercury	0.16	0.05	mg/L	2	220	Serious	(h)(1)	\$3,000
08/07/2006	3 rd Quarter 2006	D1	Daily Maximum	Copper	55	4.8	mg/L	2	1,046	Serious	(h)(1)	\$3,000
08/07/2006	3 rd Quarter 2006	D1	Daily Maximum	Selenium	41	10	mg/L	2	310	Serious	(h)(1)	\$3,000
08/07/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	79	4.8	mg/L	2	1,546	Serious	(h)(1)	\$3,000
08/07/2006	3 rd Quarter 2006	G1	Daily Maximum*	Copper	0.8	0.4	lbs/day ¹	2	110	Serious	(h)(1)	\$3,000
08/14/2006	3 rd Quarter 2006	D1	Daily Maximum	Copper	140	4.8	mg/L	2	2,817	Serious	(h)(1)	\$3,000
08/14/2006	3 rd Quarter 2006	D1	Daily Maximum*	Copper	1.0	0.4	lbs/day ¹	2	161	Serious	(h)(1)	\$3,000
08/14/2006	3 rd Quarter 2006	D1	Daily Maximum	Selenium	36	10	mg/L	2	260	Serious	(h)(1)	\$3,000
08/14/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	14	4.8	mg/L	2	192	Serious	(h)(1)	\$3,000
08/22/2006	3 rd Quarter 2006	D1	Daily Maximum	Copper	20	4.8	mg/L	2	317	Serious	(h)(1)	\$3,000

*Staff calculation

EXHIBIT "A" - NOTICE OF VIOLATION
Effluent Limit Violations

D. R. Horton
Oly Mandala Bay Seabridge
CI 8672

Date	Monitoring Period	Discharge Point	Violation Type	Parameter	Reported Value	Permit Limit	Units	Pollutant Category	% Exceeded	Serious/ Chronic	Water Code Section 13385	Penalty
08/22/2006	3 rd Quarter 2006	D1	Daily Maximum	Selenium	51	10	mg/L	2	410	Serious	(h)(1)	\$3,000
08/22/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	22	4.8	mg/L	2	358	Serious	(h)(1)	\$3,000
08/22/2006	3 rd Quarter 2006	G1	Daily Maximum	Mercury	0.24	0.1	mg/L	2	140	Serious	(h)(1)	\$3,000
08/29/2006	3 rd Quarter 2006	D1	Daily Maximum	Copper	24	4.8	mg/L	2	400	Serious	(h)(1)	\$3,000
08/29/2006	3 rd Quarter 2006	D1	Daily Maximum	Selenium	46	10	mg/L	2	360	Serious	(h)(1)	\$3,000
08/29/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	13	4.8	mg/L	2	171	Serious	(h)(1)	\$3,000
08/31/2006	3 rd Quarter 2006	D1	Monthly Average*	Copper	59.8	2.3	mg/L	2	2,500	Serious	(h)(1)	\$3,000
08/31/2006	3 rd Quarter 2006	D1	Monthly Average*	Copper	0.45	0.19	lbs/day ¹	2	135	Serious	(h)(1)	\$3,000
08/31/2006	3 rd Quarter 2006	G1	Monthly Average*	Copper	32	2.3	mg/L	2	1,291	Serious	(h)(1)	\$3,000
08/31/2006	3 rd Quarter 2006	G1	Monthly Average*	Copper	0.34	0.19	lbs/day ¹	2	79	Serious	(h)(1)	\$3,000
09/08/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	12	4.8	mg/L	2	150	Serious	(h)(1)	\$3,000
09/15/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	5.1	4.8	mg/L	2	6	Chronic	(i)(1)	\$3,000
09/22/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	11	4.8	mg/L	2	129	Serious	(h)(1)	\$3,000
09/25/2006	3 rd Quarter 2006	G1	Daily Maximum	Copper	8.2	4.8	mg/L	2	71	Serious	(h)(1)	\$3,000
09/30/2006	3 rd Quarter 2006	G1	Monthly Average*	Copper	9.1	2.3	mg/L	2	296	Serious	(h)(1)	\$3,000
10/06/2006	4 th Quarter 2006	G1	Daily Maximum	Copper	11	4.8	µg/L	2	129	Serious	(h)(1)	\$3,000
10/31/2006	4 th Quarter 2006	G1	Monthly Average*	Copper	11	2.3	µg/L	2	378	Serious	(h)(1)	\$3,000
11/15/2006	4 th Quarter 2006	G1	Daily Maximum	Copper	13	4.8	µg/L	2	171	Serious	(h)(1)	\$3,000
11/21/2006	4 th Quarter 2006	G1	Daily Maximum	Copper	15	4.8	µg/L	2	213	Serious	(h)(1)	\$3,000
11/30/2006	4 th Quarter 2006	G1	Monthly Average*	Copper	14	2.3	µg/L	2	509	Serious	(h)(1)	\$3,000
12/06/2006	4 th Quarter 2006	G1	Daily Maximum	Copper	21	4.8	µg/L	2	338	Serious	(h)(1)	\$3,000
12/14/2006	4 th Quarter 2006	G1	Daily Maximum	Copper	14	4.8	µg/L	2	192	Serious	(h)(1)	\$3,000
12/14/2006	4 th Quarter 2006	G1	Daily Maximum	Selenium	45	10	µg/L	2	350	Serious	(h)(1)	\$3,000
12/31/2006	4 th Quarter 2006	G1	Monthly Average*	Copper	17.5	2.3	µg/L	2	661	Serious	(h)(1)	\$3,000
01/12/2007	1 st Quarter 2007	G1	Daily Maximum	Copper	13	4.8	µg/L	2	171	Serious	(h)(1)	\$3,000
01/12/2007	1 st Quarter 2007	G1	Daily Maximum	Selenium	51	10	µg/L	2	410	Serious	(h)(1)	\$3,000
01/17/2007	1 st Quarter 2007	G1	Daily Maximum	Copper	19	4.8	µg/L	2	296	Serious	(h)(1)	\$3,000
01/17/2007	1 st Quarter 2007	G1	Daily Maximum	Selenium	42	10	µg/L	2	320	Serious	(h)(1)	\$3,000
01/31/2007	1 st Quarter 2007	G1	Monthly Average*	Copper	16	2.3	µg/L	2	596	Serious	(h)(1)	\$3,000
02/09/2007	1 st Quarter 2007	G1	Daily Maximum	Copper	10	4.8	µg/L	2	108	Serious	(h)(1)	\$3,000
02/09/2007	1 st Quarter 2007	G1	Daily Maximum	Selenium	45	10	µg/L	2	350	Serious	(h)(1)	\$3,000
02/14/2007	1 st Quarter 2007	G1	Daily Maximum	Copper	69	4.8	µg/L	2	1,338	Serious	(h)(1)	\$3,000
02/14/2007	1 st Quarter 2007	G1	Daily Maximum*	Copper	0.6	0.4	lbs/day ¹	2	56	Serious	(h)(1)	\$3,000
02/14/2007	1 st Quarter 2007	G1	Daily Maximum	Selenium	86	10	µg/L	2	760	Serious	(h)(1)	\$3,000

*Staff calculation

EXHIBIT "A" - NOTICE OF VIOLATION
Effluent Limit Violations

D. R. Horton
 Oly Mandalay Bay Seabridge
 CI 8672

Date	Monitoring Period	Discharge Point	Violation Type	Parameter	Reported Value	Permit Limit	Units	Pollutant Category	% Exceeded	Serious/ Chronic	Water Code Section 13385	Penalty
02/23/2007	1 st Quarter 2007	G1	Daily Maximum	Copper	23	4.8	µg/L	2	379	Serious	(h)(1)	\$3,000
02/23/2007	1 st Quarter 2007	G1	Daily Maximum	Selenium	38	10	µg/L	2	280	Serious	(h)(1)	\$3,000
02/28/2007	1 st Quarter 2007	G1	Daily Maximum	Copper	19	4.8	µg/L	2	296	Serious	(h)(1)	\$3,000
02/28/2007	1 st Quarter 2007	G1	Daily Maximum	Selenium	34	10	µg/L	2	240	Serious	(h)(1)	\$3,000
02/28/2007	1 st Quarter 2007	G1	Monthly Average*	Copper	30.3	2.3	µg/L	2	1,217	Serious	(h)(1)	\$3,000
02/28/2007	1 st Quarter 2007	G1	Monthly Average*	Copper	0.27	0.19	lbs/day ¹	2	44	Serious	(h)(1)	\$3,000
03/09/2007	1 st Quarter 2007	G1	Daily Maximum	Copper	14	4.8	µg/L	2	192	Serious	(h)(1)	\$3,000
03/09/2007	1 st Quarter 2007	G1	Daily Maximum	Selenium	40	10	µg/L	2	300	Serious	(h)(1)	\$3,000
03/16/2007	1 st Quarter 2007	G1	Daily Maximum	Copper	7	4.8	µg/L	2	46	Serious	(h)(1)	\$3,000
03/16/2007	1 st Quarter 2007	G1	Daily Maximum	Selenium	44	10	µg/L	2	340	Serious	(h)(1)	\$3,000
03/30/2007	1 st Quarter 2007	G1	Daily Maximum	Copper	8.8	4.8	µg/L	2	83	Serious	(h)(1)	\$3,000
03/30/2007	1 st Quarter 2007	G1	Daily Maximum	Selenium	20	10	µg/L	2	100	Serious	(h)(1)	\$3,000
03/31/2007	1 st Quarter 2007	G1	Monthly Average*	Copper	7.9	2.3	µg/L	2	243	Serious	(h)(1)	\$3,000
04/02/2007	2 nd Quarter 2007	G1	Daily Maximum	Copper	8.3	4.8	µg/L	2	73	Serious	(h)(1)	\$3,000
04/02/2007	2 nd Quarter 2006	G1	Daily Maximum	Selenium	23	10	µg/L	2	130	Serious	(h)(1)	\$3,000
04/30/2007	2 nd Quarter 2006	G1	Monthly Average*	Copper	8.3	2.3	µg/L	2	261	Serious	(h)(1)	\$3,000
											Total	\$354,000

*Staff calculation

EXHIBIT "A" - NOTICE OF VIOLATION
Late Reporting Violations

D. R. Horton
Oly Mandalay Bay Seabridge
CI 8672